

STANDING COMMITTEE ON PUBLIC ACCOUNTS
May 17, 1990

Mr. Chairman: — Just before we start, we've got it clarified that we will not be sitting next Tuesday. Our next meeting then will be next week Thursday.

We are joined this morning by two officials from the auditor's office, Mr. Heffernan and Mr. Hunt. The Acting Provincial Auditor and the deputy provincial auditor are both attending a conference in Ottawa this morning. I'm sure that our interests will be ably served by Mr. Heffernan and Mr. Hunt.

When we left off, I believe that Mr. Anguish had the floor on the question of WESTBRIDGE's appearance, and the subsequent amendment of Mr. Lyons, which was simply to refine the years of review if and when WESTBRIDGE appeared. And Mr. Anguish you had the floor.

Mr. Anguish: — Thank you, Mr. Chairman. Just before we wrapped up last day, I'd asked a question of the auditor concerning the letter that was written to the appointed auditor of WESTBRIDGE. It was mentioned on page 112, 34.07. I was wondering if you could read that letter for us.

Mr. Hopfner: — Mr. Chairman, before we get into that letter reading, I had also raised a point of order regarding that particular letter and had brought it to the committee's attention that that letter was not written under the year under review. I have no problem with the fact that the information come to this committee, but I would like to see that this committee wrap up the '87-88 report, and we can get into those kind of information seeking rallies from members of this committee by getting into the '88-89 report, where that letter had been duly documented. So I'd like to bring it to the committee's attention so that we . . .

Mr. Chairman: — So Mr. Hopfner will be raising a point of order on the grounds that the letter has nothing to do with the year under review. Correct in that?

Mr. Muller: — It's the second half of the year under review.

Mr. Chairman: — Well I'll pertain any comments people might want to make on a point of order.

Mr. Rolfes: — Mr. Chairman, on a point of order. While you're taking that into consideration, I do want to draw to your attention that I brought this same thing to the committee's attention last day on our report, that we took into consideration a report from the Provincial Auditor which was written after the year of review. It was written . . . And that was taken into consideration by the committee and was accepted as being okay because it pertained to . . . Oh yes.

Mr. Muller: — It hasn't been accepted yet.

Mr. Rolfes: — Well the member opposite . . . I just want to say that members opposite spoke to it and said, because it pertained to the year under review, therefore it should be accepted.

Mr. Muller: — But it hasn't been accepted.

Mr. Rolfes: — I'm simply saying that the members opposite, Mr. Chairman, made the point that they wanted to have something included in here which happened after the year, the year after review. So in your consideration I just want you to take into account that if we accept one, then I think we have to be consistent and accept the other also.

Mr. Chairman: — Thanks, Mr. Rolfes. Mr. Hopfner on the point of order.

Mr. Hopfner: — Just on the comment of Mr. Rolfes's. There's two different scenarios here, Mr. Rolfes. The scenario on the draft recommendation was of what remarks have come out of the verbatim, and that is constant with '87-88 where the Provincial Auditor had said, no, that these particular problems had been rectified and/or will be rectified in the year . . . in the '88-89 report. That's what we were discussing in the draft recommendation. What we're discussing here now is trying to draw information from '88-89 and read back in '87-88. Let's get finished '87-88 and deal with that document . . . (inaudible) . . . in '88-89 when the documentation was written.

Mr. Anguish: — Mr. Hopfner, are you suggesting that we deal with both years concurrently?

Mr. Hopfner: — No, not at all. I want to get the '87-88 report wrapped up.

Mr. Chairman: — I've listened to the comments of Mr. Hopfner and Mr. Rolfes and also from further down at the end of the room, and I would rule that the point of order is not well taken.

Mr. Hopfner: — Mr. Chairman . . .

Mr. Chairman: — Let me finish, Mr. Hopfner, let me finish. We are discussing the year under review, the year ended March 31, 1988. It's entirely reasonable that there would be letters, correspondence, activities take place subsequent to the year under review which pertain to the year under review. For example, the auditor himself in reporting the report that he does to the Legislative Assembly, it's done under cover of a letter dated March 24, 1989, a year after the conclusion of the year under review. His comments, some of his comments in his report weren't necessarily written during the year under review but pertain to the year under review. Similarly, the letter, I am informed by the auditor, the letter that Mr. Anguish is seeking to get clarification about pertains to the year under review even though it may have been written subsequently.

So my ruling would be is that we're dealing with the year under review, The letter has to do with the year under review, and even if there are comments made by officials subsequent to, you know, that specific time line, March 31, 1988, if it pertains to the year under review, then it seems to me legitimate that we would want to ask questions about that.

Mr. Hopfner: — Mr. Chairman, in challenging this . . . I don't want to be nasty with you today or anything like

that, but I definitely would like to challenge your ruling. And this is on the basis of the fact that I don't mind listening to your interpretation on that basis, but . . . I could be totally wrong, but I would seek support from members of this committee so that we're not basically all over the map when we're discussing different years of public accounts and . . .

A Member: — Setting a precedent's what's happening here.

Mr. Hopfner: — Yes, and bringing in new precedents into this committee.

I think probably I'd challenge that ruling on that regard and hope that the committee members would support me on those bases. I would like to challenge your ruling. And that's not to be nasty or anything towards you or anything like that. It's just . . .

Mr. Chairman: — Yes, there's certainly no personal reflection considered here, Mr. Hopfner. I mean ultimately the rules that I try to interpret are the rules of the committee and, you know, the committee has to make it clear from time to time.

Mr. Hopfner has challenged the ruling of the chair. Will the chair be sustained? Those in favour, say aye. All those opposed, say nay.

In my opinion the nays have it, and I guess accordingly it would not be appropriate then to ask further questions of the officials from the auditor's office in respect to this letter. But debate on the motion . . . Discussion on the motion continues.

Mr. Anguish: — Mr. Chairman, I think if you're challenged, I don't think you should be in the chair. I think you should step down, and the vice-chairman should take the chair if it's you that's being challenged. You then have the right to vote. I'm saying that before you take the vote, Mr. Chairman, you allow the vice-chairman to make the ruling and then you have the right to vote.

Mr. Hopfner: — I don't make a ruling. The committee makes a ruling.

Mr. Britton: — I think what we're concerned with is setting a precedent that you can reach into the next year.

Mr. Lyons: — We wouldn't want to set a precedent, John. Breaking new ground would be real foreign to you people. I understand that.

Mr. Anguish: — We're . . . (inaudible) . . . set a precedent when you can't ask about something that's in the report.

Mr. Britton: — We are people that do break new ground, but I think that could have far-reaching implications.

Mr. Chairman: — No, the chairman simply makes a ruling on procedure and the committee disagrees . . . These are rules of the committee so I'm not . . .

Mr. Anguish: — Well I think your ruling, Mr. Chairman,

before I continue on with the line of questioning that's obviously been overruled by the government members on the committee, I'd like a ruling by someone as to whether or not when you're in the year under review, that you can ask questions that are referenced in the auditor's report. I mean, Mr. Chairman, on page 112 it definitely says in 34.07, "I wrote to the appointed auditor of WESTBRIDGE and asked him to give me these . . . opinions."

And part of the job of the committee is to study the report of the auditor, to study the public accounts. And if we can't ask questions of things that are referenced by the auditor in the auditor's report, what can we ask questions on? Is the scope so narrow now that any time we ask a question that the government members don't like, we can't ask it because they'll overrule us by the might that they have on the committee because they have more votes than we do on the committee?

So I'd ask your ruling as to whether or not we can ask questions on anything in the auditor's report that has been referenced by the auditor.

Mr. Chairman: — The ruling, Mr. Anguish, would be that what's written in the report here is legitimate or is grounds for legitimate inquiry on the part of members. You know, whatever is written in here, you're free to ask about.

But the Chairman was asked to rule with respect to one particular letter that the letter was written, strictly speaking, after the conclusion of the year end even though it pertains to events during the year under review. The committee decided to overrule the chair on that one, and said that that, you know, following up on that particular letter was not legitimate. But again, everything else that's there pertains to the year under review, so ask.

Mr. Rolfes: — Mr. Chairman, I think we need a clarification here because I think we are setting a very dangerous precedent here. The committee has just ruled that we cannot ask any questions on 34.07.

A Member: — No.

Mr. Rolfes: — Well, all right, if that is not the ruling then I want to ask some questions. On 34.07, it says:

I wrote (saying the auditor) . . . I wrote to the appointed auditor of WESTBRIDGE and asked him to give me these standard opinions.

That also reflects on the Provincial Auditor. He has to respond to that, and we want to have further indications as to what the correspondence was in that regard. And that is . . . I want to draw to the committee's attention, this is 1988. Therefore, I think my colleague has the right under the public accounts mandate to ask questions pertaining to 34.07.

Now the committee might say, well that's only one little item, but it's a precedent that we can go all the way down and the committee can simply keep on making motions and say, you're out of order, and consequently we wouldn't be able to ask any questions on public accounts.

It doesn't make any difference whether you disagree or agree with that particular point, it's the precedent that we are setting that the committee can now suddenly say, you cannot ask any questions on a particular item because we've decided you can't. That's exactly what you're doing.

And if you aren't doing that, then I would like to ask a further question on that, and I'm sure my colleagues would. We want to see all those letters that pertain to 34.07. If you have no objection to that, then I think we can proceed. I just want a ruling on that, Mr. Chairman, because I think it is a dangerous precedent we are setting in this committee.

Mr. Hopfner: — I think, Mr. Chairman, we've got that clarification. We got that clarification through the challenge of the chair and the ruling there. And really basically this discussion can carry on in the '88-89 report, as Mr. Lyons is indicating, and it will, and that's where we can get at it. Because then those letters are in that particular year.

If Mr. Rolfes is concerned about setting a precedent. Well the reason that we'd like to keep some uniformity in this committee is basically for this reason — is that what would not prevent this committee if we did not keep that uniformity here, from staying in a particular year, '87-88 and never completing it because we could always refer into '88-89, '89-90 and we're still into '87-88 because it has some direct relationship to some members of this committee.

So I indicate to you again that just in some of the discussion that the members opposite have brought to the committee this morning, is that if we could finish dealing with the '87-88, I'm sure that we'd be more than willing to discuss this thing further in '88-89.

Mr. Chairman: — Can I just . . . before anyone else interjects, I personally would like some clarification as the chairman. I rule that a letter which was written July 27, 1988 was written by the Provincial Auditor to the appointed auditors for the WESTBRIDGE Computer Corporation. That letter as I understand it, in my discussions with the auditor, was written to the appointed auditor of the WESTBRIDGE Computer Corporation asking him for information pertaining to the year under review, pertaining to the year under review. It seems to me that in discussing the year under review that it's legitimate to . . . I held that it was legitimate to ask questions about that. The committee feels otherwise.

Now I'm trying to get it clear as to how I should rule in the future. Assuming that we moved to the next year, the year '88-89, the year during which the letter was written, and a member says, well, I want to . . . now I ask about that particular letter because it was written during the year under review. I would normally rule that even though the letter was written during the year under review, it has nothing to do with our consideration at hand. And the obvious implications for the chair being is that the letter will not be discussed, will not be brought about.

I guess I would, the chair would caution members to not look for . . . If there's an issue before the committee that

some members of the committee disagree with, then the committee should simply, when the question arises, deal with the question and vote one way or another as opposed to finding ways, making imaginative use of the rules to achieve the same end. And that's my concern here.

Mr. Muller: — I have to take a little exception to what Mr. Rolfes said. He said the year under review was 1988 but it was 1987-88.

Mr. Rolfes: — That's right.

Mr. Muller: — Yes, but you didn't say that; you said 1988 only. So that you were leaving it out there that just because the letter was written in July of '88 it was under the year under review, which it isn't. It was written in July. The year ended, '87-88 ended March 31, 1988. I wanted clarification of that put on the record.

And I can't see us moving into two years at a time and running concurrent. I mean we finish this and then we move on into the next year. If there's any letters that were written prior to March 31, 1988, certainly we would not hold them back from the committee. I mean if the auditor has any correspondence with WESTBRIDGE prior to March 31, 1988 I would think that it's up to him to bring them forward.

Mr. Chairman: — I just might again . . . it's not normal for a ruling, for there to be discussion on a ruling subsequent to that ruling. But the chair is genuinely puzzled and needs direction in this case, and therefore I'm allowing the discussion to go on this point.

Mr. Lyons: — Thank you, Mr. Chairman. I have a question to the auditor on this point. Is there any correspondence that predates, or is April 1, 1988, and between WESTBRIDGE Computer Corporation and the Provincial Auditor or the appointed auditors from WESTBRIDGE and the Provincial Auditor?

Mr. Heffernan: — Mr. Chairman, no, there is not.

Mr. Lyons: — I'd be interested to know why it was referenced in the '87-88 auditor's report.

Mr. Heffernan: — This letter that we sent . . . it was sent in July. The reason that it was . . . We normally issue these letters before the year end. But in this case, WESTBRIDGE was formed sometime in February. We weren't aware of what the year end was at that time. All we knew about the corporation was what we read in the newspaper. So in, probably in June we started to research the corporation, made some phone calls, found out that the year end was March. So we then immediately wrote to the appointed auditor to ask him for the standard audit reports and other assurances that we require in order to rely on him.

Mr. Lyons: — Okay, thanks. That explains that. Then I wonder, Mr. Chairman, if we return to what the motion says, maybe that will help clear up the concerns. If the government members here on the committee would look at the amendment, what the amendment says is that it deletes the words prior to "concluding the committee's examination of the 1987-88 *Public Accounts*." That's

what the amendment says — and be deleted — which means that we are not necessarily saying that this review has to take place in consideration of the '87-88 Provincial Auditor's report, but in fact that it can be done within the '88-89 Provincial Auditor's report as well.

That is one of the intents of the amendment. The other intent is that if we do move, and I'm not sure I've heard Mr. Hopfner correct, but I thought I heard him say that if we do move this issue to the '88-89 auditor's report, that there would be willingness on the part of the government members to do that review. But again, we are having no clear indication from the government whether in fact, that is, the government members here, whether that or not is their intention.

I guess we can only decipher that intention given the motion. And I want people to be clear on the motion. If the motion says that we will call WESTBRIDGE Computer Corporation to the Public Accounts Committee, and that when we do call them to the Public Accounts Committee, that the years which will be considered will be '87-88 and '88-89.

I personally have no hang-up or no objection to moving that consideration to the '88-89 report provided that in order to get the complete picture of what's happened, that we consider '87-88 as well. And that's the intent, the substance and the intent of the motion and the amended motion. So I just think that we should get on with it and see where the government members stand on the thing.

Mr. Hopfner: — Again, I'll just reiterate the fact that in speaking, I need the clarification. Are we speaking to you wanting some clarification or are we speaking to the motion?

Mr. Chairman: — The Chair is just allowing the discussion to go on because the Chair needs to get a sense from the committee as to how the Chair should rule in the future. And frankly . . .

Mr. Hopfner: — Well then we're discussing what you would . . . you asked a question of us and you're discussing. We're discussing that, not the motion, right?

Mr. Chairman: — No, we're simply . . . yes. I'm just simply trying to get a clarification on the events that took place here this morning and how I might go in the future.

Mr. Hopfner: — I'll pass on that particular thing because I think that clarification has come from when we dealt with the particular situation.

Mr. Rolfes: — Mr. Chairman, I do want to . . . I think Mr. Lyons makes a very good point. But what I . . . The committee can rule as it wants, but all I'm saying is that this will set a dangerous precedent for the future. And I hope the committee recognizes what we're doing. We're empowering the committee as of this morning, if that decision stands, to say at any particular time the committee can make a decision, no, that we shall not discuss any particular item in the *Public Accounts* report.

What you said this morning . . . Let me just say to the committee members here this morning, what you are

doing by saying that . . . you say no, those letters can't be discussed now. If we vote against the amendment that Mr. Lyons is moving, you're shutting off any further discussion of the 1987-88 annual report of WESTBRIDGE. We can't discuss it any further then. Can't discuss it now; we can't discuss it later on.

So when would you people suggest that we have an opportunity to discuss WESTBRIDGE, there won't be any opportunity. And what you're doing is precluding the right of this committee to call before us WESTBRIDGE. That's what you're doing. So if you don't accept . . . and if you can give us some indication that all right, you're going to accept the amendment, then we can discuss the 1987-88 report and the '88-89 report simultaneously.

But if we stick by this, you're saying those letters can't be discussed now. And if I want to ask a question, I want to ask one of the government members to tell me if we don't discuss this letter now, will you allow me or any member on this side to ask any questions pertaining to that letter under the '88-89 review knowing full well that that letter pertains to the '87-88 year. Will you give us your assurance today that when WESTBRIDGE comes up for the '88-89 review, that when we ask for those letters, that we are allowed to ask any questions that pertain to those letters which you know will be on the '87-88 annual report. If you give us that assurance, I don't like the precedents, but at least we can then get at WESTBRIDGE.

Mr. Lyons: — The assurance will be if they vote for the amendment.

Mr. Rolfes: — Well that's right. If they vote for the amendment, that will be the assurance.

Mr. Hopfner: — Well, Mr. Chairman, I think what Mr. Rolfes is asking is a discussion for another day when we get into the '88-89 report. What I want to bring to Mr. Rolfes's attention as we had the other day, is that there was an indifference of understanding basically because under the auditor's own words, he said that there is no law requiring an audited financial statement on these corporations that are 50 to 90 per cent owned — if there's a 50 to 90 per cent ownership ratio. And WESTBRIDGE fell under that.

Now there's an indifference of opinion, and because of that indifference of opinion and things haven't shown up in '87-88 report, that's not the government members' fault on this side of the committee. That's not the opposition members' fault in this committee. It's a particular situation that had arose and where the information is not here in the '87-88 report and it will consequently be cleared up in future.

And to me it's just another way of trying to reflect some nasty aspersions upon members of this committee in relating to the fact that we don't want to discuss it. We'll discuss all sorts of issues in this committee as it's brought to our attention, but at this point there is nothing to be discussed.

And I would like to suggest that the clarification has been there to the chair, and we have discussed the motion almost to a degree where there's hardly any more

discussion left unless we keep repeating ourselves. So why don't we . . . If members opposite are wanting to get into the '88-89 report, then let's deal with it in the draft recommendation and let's deal with whatever else is left under the '87-88 report that can be discussed, and then we'll move into the '88-89 report and we'll discuss there what can be discussed.

There's no dangerous precedence. There's nothing . . . I mean, how can we prevent anything not to be discussed that is already public information? It's here; it's in the auditor's report.

If members want more information that they're reading into a report that isn't here, well then maybe they ought to take those questions directly to the minister. And if they can't get it directly from the minister's office because the minister is indicating that that is privileged information or things like this, then the member has another alternative; and he can take those kinds of questions into the Assembly and ask those particular questions during question period, and get the answers from the ministers there.

But I don't believe that government members of this committee should be subjected to the kinds of outlandish accusations that we are trying to hide things and all these kinds of things that have come up through this particular type of debate. Because that's very personal, and I don't believe we can deal in a committee when we're under personal attacks or asking for those kinds of particular agreements and everything else.

We have a mandate to operate in this committee, and I say we go with it and get on with the discussion of what we can discuss. And then we'll get into the '89 report and discuss what we can discuss there, as I said earlier.

Mr. Swan: — It seems that we've got into quite a wrangle over this particular issue. And I would like to ask our two experienced clerks to give us any citations from the rule books that might give us some guidance as to whether we're doing the right thing or the wrong thing. The clerks are here. They're both very experienced, and I would like to know what information they would have that might be beneficial for the committee to have.

Mr. Chairman: — On the particular ruling that was made earlier?

Mr. Swan: — Yes.

Mr. Chairman: — If the committee wants to take a break for five minutes and we'll get back to the . . .

A Member: — That's fine.

The committee recessed for a short period of time.

Mr. Chairman: — First of all, I want to thank the members for their comments on this matter and thank Mr. Swan for his question. I refer member to *Beauchesne's Parliamentary Rules and Forms*, and paragraph 830 where it says that:

By Standing Order 108(1), standing committees

have the power to examine matters that are referred to them by the House, reporting from time to time and sending for persons, papers and records . . .

That's what 830 says in part. The rest concerns sitting while the House is sitting and during the adjournment of the House, etc., etc.

It's very clear that this document is referred to the committee by the House, and its committee's job to examine the document and then to report back to the House on its examination. The document in part says in paragraph 34.07, "I wrote to the appointed auditor of WESTBRIDGE and asked him to give me these standard opinions."

We have a member who is seeking further clarification of that letter. Upon a point of order being raised, I ruled that to answer details or to enter the letter, as it were, in evidence or to ask for details for clarification of the letter, was legitimate for this committee even though the letter was written subsequent to the end of the year because it pertains to the year under review.

It pertains to statements and comments that are made in this report, that are referred to it, that are referred to the committee by the Legislative Assembly. Very clearly, in my mind, it had to do with this committee's mandate. My ruling was challenged.

And it's clear in 821 of *Beauchesne's* that, "All rulings of the Chairman may be appealed to the committee" as was the case. I might point out that it also says that, "Procedural difficulties which arise in committees ought to be settled in the committee and not in the House."

And in the latter connection I want to thank members for their discussion. But I might say that it leaves the chair very unclear as to what it is that the committee can discuss. And especially in the context of the number of appointed auditors that we have. And we've learned from the Provincial Auditor that it's not unusual, in fact it's common, for there to be correspondence between the Provincial Auditor and the appointed auditor subsequent to the year end, but all pertaining to and concerning that particular year of review.

And therefore it's troublesome for the chair to have this ruling . . . or to have that ruling challenged and to have this committee take that position. In any event, thank you. And I guess we would . . . I don't think, I don't know if we're going to be well served by any further discussion on this point, but I'll allow one more.

Mr. Lyons: — Thank you, Mr. Chairman. I actually have two more questions. The first is, is that . . .

Mr. Swan: — Can I ask, before we move on to other questions . . .

Mr. Lyons: — This pertains to this point of order, Mr. Swan.

A Member: — All right. Well that's fine.

Mr. Lyons: — I have two questions again and perhaps you can seek some clarification from the clerks. The first question is, can the chairperson of the standing committee refer a decision of the committee, as to its appropriateness, to Mr. Speaker for a ruling as to . . . Based on your comments, I would take it that the motion that we made here was probably in contradiction to the intent of the committee and the fact that it remains a standing committee. And maybe you should bring that matter to Mr. Speaker. And is there a method by which you can do that for a ruling?

And the second issue that arises in my mind is that, from that 830 in *Beauchesne's* is the power of the committee to issue a subpoena. Some members raised last day the question of whether or not, in this case, officials from WESTBRIDGE Computer Corporation would appear. I would like some clarification on the powers of subpoena by the committee and the enforceability of that subpoena.

It's my understanding that that subpoena has the full power of the court, in discussing this with some legal friends, and that to . . . in fact a subpoena would be registered with the court, and that the failure to comply with the terms of the subpoena would be a contempt. But maybe you can clear that question up for me as well.

Mr. Chairman: — Any other questions while I'm consulting the clerks.

Mr. Swan: — I don't think that you gave us a clear ruling. I asked you to clarify through the clerks. You gave us a portion of the ruling, but I don't think you gave us a clear, final decision of what the Clerk felt, whether we were doing the right thing or the wrong thing as a committee. That's what I wanted and still want, and I hope that when you're discussing it, you will come back with a firm ruling to the committee.

If we made a mistake, let's hear it.

Mr. Hopfner: — If I could interrupt.

Mr. Chairman: — Let me deal first with the question of Mr. Swan. And let me just say that based on my further consultation with the clerks that I am convinced that the ruling that I made was the proper ruling, and that there's no doubt in my mind that it was the proper ruling. I would also point out to the committee again though that the rules very clearly state that all rulings of the chairman may be appealed to the committee, as was the case.

In terms . . . and let me just go on now. In terms of referring the decision to Mr. Speaker for a ruling as Mr. Lyons asked, I would just simply say that there is no appeal to the House from the chairman's ruling except by way of a report from the committee. So I guess what I'm saying is that if the committee feels that it needs to have guidance from the House in this matter, on this procedural matter, then it should go by way of a report to the Legislative Assembly. That's not a report that I can make by myself, but is a report that the committee would have to agree on.

Third, in the question of . . . the matter of issuing subpoenas. If we ask someone to appear before us and they're reluctant to appear before us, to put it mildly, the

committee would report the matter to the House and ask the House to direct Mr. Speaker to issue a warrant for that person to appear in the appropriate place and time.

Mr. Swan: — Mr. Chairman, I move that we withdraw the challenge to the chair.

Mr. Britton: — Before you do that . . . Mr. Chairman, you said that in your opinion you made the right ruling. You did not tell us what the Clerk said.

Mr. Chairman: — Let me just say that . . .

Mr. Britton: — Just a minute then, maybe I'm out of order. I understood the question was to check with the clerks and get their interpretation. Now when you reported you said you are satisfied. Well I'm sure that I felt you were satisfied you made the right ruling when you started. So am I to understand then, based on what you learned from the clerks, you are now more satisfied then ever?

Mr. Chairman: — That's correct.

Mr. Britton: — Okay. I just wanted . . . Maybe I . . .

Mr. Chairman: — And I might point out that when the matter was first raised, I consulted with the clerks and I've consulted twice since that time.

Mr. Hopfner: — Is that not when you first were . . .

Mr. Chairman: — Let me just say that it becomes very difficult for the chair to say the clerks say this and therefore we should do that. It becomes almost impossible. But what I do want to suggest is that we take a three-minute break and that if any members want to consult authorities and clerks and so on in this matter, that they should do that and then we'll . . .

Mr. Hopfner: — Mr. Chairman, I don't think it's necessary. We had a discussion here, and Mr. Swan had indicated that we will withdraw the challenge from the chair, and that's because of agreement and to expedite the process here. I think basically we could get to deal with the motion then and as well carry on with the question of Mr. Anguish. So let's move on and it's just basically a point though that I believe that members of the opposition, committee members, should know that we should not go all over the map in regards to various issues within . . .

Mr. Chairman: — We have a motion by Mr. Swan that the committee decision challenging the ruling of the chair be rescinded. Is the committee ready for the question? Is it the pleasure of the committee to adopt the motion?

Agreed

Mr. Chairman: — I say we're then back to Mr. Anguish. I appreciate the frustration that these points of orders and discussions may raise for members, but they're very important, very vital to the ongoing activity of this committee, and I thank you all for your patience and your involvement.

Mr. Anguish: — I wonder, Mr. Chairman, just before I

state the question again to the auditor and since you're in the mood for expediting the work of the committee, I'm wondering if maybe the government members would agree or maybe the committee would agree to have the correspondence between the auditor and the appointed auditor and WESTBRIDGE tabled rather than having the auditor read the letters.

Mr. Hopfner: — Why doesn't he read them so we can all hear.

Mr. Heffernan: — May I say something, Mr. Chairman. There's about 20 pages of letters. The first letter that we sent to all appointed auditors is about six pages long. It's a technical document, and I don't know if you want me to spend a half hour or whether you . . .

Mr. Chairman: — It's agreed then that . . .

Mr. Anguish: — The year that's referenced, then what we're asking of the auditor is to table the correspondence between your office, as the Office of the Provincial Auditor, the appointed auditor, and WESTBRIDGE or the appointed auditor acting on behalf of WESTBRIDGE. Those would be the letters that are referenced in the report ending March 31, 1988?

Mr. Britton: — Yes, in response to 34.07. Isn't that what you want?

Mr. Anguish: — Well there's 34.07, Mr. Britton, but then there's also, "The appointed auditor wrote to me . . ." at 34.08 is what's being said in there, and there may have been another letter from the auditor, Provincial Auditor, back to the appointed auditor. So I want the correspondence that deals between the auditors and WESTBRIDGE on the issues that are raised by the auditor.

My other question to the auditor is . . .

Mr. Hopfner: — That's in the year under review, right? Just for clarification.

Mr. Anguish: — But the letters may not be written in the year under review.

Mr. Hopfner: — No, but pertaining to the issues . . .

Mr. Anguish: — That's correct.

In the year under review what was the share structure of WESTBRIDGE? How many shares were held by the province of Saskatchewan?

Mr. Heffernan: — I don't know if I have that. I know it's over 60 per cent. We can get that information for you though.

Mr. Anguish: — Yes, I would like you to provide that. Was WESTBRIDGE formed in the year under review?

Mr. Heffernan: — Yes, it was formed in February '88.

Mr. Anguish: — February, 1988. Can you tell us who, in February '88, can you tell us who the companies were that merged to form WESTBRIDGE?

Mr. Heffernan: — I'm not sure we have that with us, but we can get that for you.

Mr. Anguish: — Yes, if you could provide that. I have no other questions. We could maybe deal with the motion then.

Mr. Chairman: — Is anyone else on the motion? Is the committee ready for the question? And we'll put the question first on the amendment of Mr. Lyons.

First of all, the motion of Mr. Anguish is that:

Whereas the 1987-88 Report of the Provincial Auditor makes reference to a lack of co-operation from WESTBRIDGE Computer Corporation, and whereas new information has become available to the financial affairs of the Crown-controlled corporation, be it resolved that prior to concluding the committee's examination of the 1987-88 Public Accounts, WESTBRIDGE Computer Corporation be called as a witness before the Public Accounts Committee.

Now, Mr. Lyons's amendment is that the words prior to "concluding the committee's examination of the 1987-88 *Public Accounts*" be deleted and that the following be added immediately after the words "Public Accounts Committee" in the last line:

and that this examination deal with the 1987-88 and the 1988-89 fiscal years concurrently.

So Mr. Lyons's motion is to make it clear that we will be dealing with two years of review as opposed to simply the '87-88 year. Is the committee ready for the question on the amendment? Is it the pleasure of the committee to adopt the motion?

Negatived

Mr. Chairman: — Then we're back to the motion of Mr. Anguish. Is the committee ready for the question? Is it the pleasure of the committee to adopt the motion?

Negatived

Mr. Anguish: — I have a question, Mr. Chairman. What is the procedure then for having WESTBRIDGE appear before the committee? We're back to the same argument that any time some members in the committee don't like what's being done, they vote against it by their majority. And if we think it's important that WESTBRIDGE be called, is the only mechanism to have an agreement from the government members? Or is there a mechanism by which we can get WESTBRIDGE Computer before the committee?

Mr. Chairman: — Good question, give me a moment please.

All I can simply say, Mr. Anguish, that it's up to the committee to decide who it wants to call and who it doesn't want to call. I would not reflect on the wisdom of any choices by the committee in this way, but simply say

that the committee has the right and the power to decide who it wants to call and who it doesn't want to call.

Mr. Hopfner: — And it goes back to the same discussion is that even in the auditor's report again. It states that there is no law requiring WESTBRIDGE to be here, along with a list of other companies that he had listed, and that it's under the corporations Act in this province. And if the members of the opposition of this committee wish that particular . . . any kind of information, they're entitled to buy a share of that company. It's in the public interest. And they can go to the annual meetings and they can ask particular questions of their company then if it's a public company . . . private company.

Mr. Lyons: — Thank you, Mr. Chairman. Once again we have seen here as we have seen in the past, the government members of this committee blocking access to information which by right belongs to the people of the province; 61 per cent of this company has public funds in it, taxpayers' money, money that the people of the province have paid for.

Mr. Hopfner says, buy a share, Mr. Chairman. We've all bought shares. Every taxpaying person in this province has bought shares in that company, and they've bought shares through their tax dollars. And they didn't make the money the same way that Mr. McCurdy did through a little bit of a scam, or through Urban Donlevy through a bit of a scam in terms of undervaluations. There are items and issues here in regards to WESTBRIDGE Computer Corporation which the people of Saskatchewan have the right to know.

Now what you have done, what you have done, using not just a misinterpretation, but a deliberate misinterpretation of what the auditor's report says . . . and if you go back and read what the next paragraph of what the auditor's report says, the auditor's report says there should be public scrutiny over companies like WESTBRIDGE. Because he doesn't refer to them as private companies, he refers to them as Crown-controlled corporations. And that's precisely what WESTBRIDGE Computer Corporation is, a Crown-controlled corporation; 61 per cent owned by the people of Saskatchewan — 61 per cent.

If you look, Mr. Chairman, if the members would think for a minute instead of reacting out of blind political reflexology, if they would think for a minute, there are items in terms of the WESTBRIDGE Computer Corporation which are public documents that we have the right to examine.

For example, in footnote (a) of the prospectus on page 36, which outlines the valuation of the company structure, you will see a footnote that says, "The fair share value for the province of Saskatchewan has been devalued by \$26 million."

Mr. Chairman: — The committee has decided in its wisdom that it did not want to call WESTBRIDGE before us, and I sense now that we are discussing WESTBRIDGE Computer Corporation. Whatever feelings one might have about that, I think the committee's interest would be better served by not reflecting . . .

Mr. Lyons: — With all due respect, Mr. Hopfner had his say about the reasons why he felt the government members weren't interested in calling WESTBRIDGE. I feel that we have the right to put forward our reasons why in fact that we believe that the interests of the taxpayers of Saskatchewan are well served by calling WESTBRIDGE. There are several other ways and there's several other motions.

A Member: — Let him go.

Mr. Chairman: — All right, we'll let him go. But after that we should try and get back to the year under review.

Mr. Lyons: — Well I'm dealing with the year under review, Mr. Chairman — 2.76 deals with precisely the point that I raise regarding the footnote. The footnote in the financial statement of WESTBRIDGE says: "The province of Saskatchewan has had its shares devalued by \$26 million." And 2.76 of the auditor's report says, in dealing with WESTBRIDGE:

Freedom from public scrutiny provides the ability to work in secrecy. In my opinion, the Executive is given charge of an asset belonging to the public. Therefore, the Executive should account to the public for the use made of an asset by providing financial information for these Crown corporations.

And it goes on to talk about the Crown, these mixed Crown-controlled corporations.

The point is this, Mr. Chairman. Members of the committee have now been denied the right to deal with information in the auditor's report by the vote that was just taken. Mr. Anguish raised the question: how do we get WESTBRIDGE Computer Corporation before this committee? It was referenced in the auditor's report. There are questions, and a great many questions, about WESTBRIDGE Computer Corporation that we want to bring before this committee — at least some of us want to bring before this committee.

The auditor has referenced in great detail the question of WESTBRIDGE Computer Corporation. My question is, given that, that this is substance for the committee to deal with: how do we in the committee who want to deal with the substance get that substance dealt with? By what methods can we have WESTBRIDGE Computer Corporation appear here even though the government members want to deny us that opportunity to question those people from WESTBRIDGE? Now that's the question I ask you. What is the procedure?

Mr. Chairman: — I want to thank the member, first of all, for putting his discussion in the context of chapter 2, which we are dealing with. And I thank you for that.

I don't have an answer for his question except to say that it's up to the committee to determine who it wishes to call and who it does not wish to call before it. So if members feel strongly about calling an agency or a department or a corporation, then the appeal should go to the other members of the committee, and there should be agreement then from both sides to pursue that. let me just

leave it at that.

Mr. Rolfes: — Mr. Chairman, I was going to basically ask the same question because I feel there's something wrong with what we're doing. There's something wrong . . . You said this morning in consultation with the clerks that the mandate of this committee was to study this report which has been tabled in the legislature. That's our mandate.

If, as a member of that committee, I want to study a section of that report and other members deny me that right to do so, what appeal do I have? Otherwise I may as well not be on this committee. I mean if at any particular year, government members . . . and see, that's what's wrong with this committee. We are now in two different camps — opposition and government members. Government members feel that they have to defend the government. And in this committee they should not be defending the government, they should be looking at what's in the best interests of the public.

And if you look at 113, it's very clearly stated by the auditor again:

Also, in my opinion, the Executive is not accountable to the Legislative Assembly for the administration of this public money (referring to WESTBRIDGE) if a complete audit is not conducted and if financial information is not given to the Assembly.

Now, Mr. Chairman, the point is this, that the only way — not the only, but one of the main ways — that the Assembly will be apprised of WESTBRIDGE is through this committee, in our examination of this committee.

Now I want to ask you . . . I guess it's basically the same as Mr. Lyons has indicated. Would you, as chairman of this committee, please, for next meeting, check with some other authorities as to what appeal mechanism there is for members of this committee if they are denied the right to examine the Provincial Auditor's report, sections of the Provincial Auditor's report, because some members say it's not in the interest . . . or not in the best interest of the public that that Crown should be examined.

And let me say to the members, it is a Crown. WESTBRIDGE Computer Corporation is a Crown-controlled corporation.

Mr. Chairman, let me remind the members that we have given a mandate . . . we have been given a mandate to peruse and analyse and study this report. And WESTBRIDGE was given, not just reference, WESTBRIDGE was given a page and a half plus other references throughout this report. Surely it should be a mandate of this committee to study WESTBRIDGE.

My question to you simply is: would you please check for this committee what appeal a person has if he is denied the right to examine any portion of the Provincial Auditor's report? I think it's a dangerous precedent. I really do.

Mr. Chairman: — I'll certainly do that, Mr. Rolfes. I appreciate your question and I'll reflect further on it. And

if I have additional comments to make in addition to what have already been made, I'll certainly make those at the next meeting.

We're back to consideration of chapter 2 of the auditor's report. Are there any further comments that members might wish to make?

I might personally state that, as a member of the committee, that I will be satisfied to . . . there are a number of comments, paragraph 2.9 through to 2.99 which are again raised in the auditor's report for the next year, which I'll be satisfied to deal with at that time. I believe they're reported in chapter 13 of the auditor's report for the year ended March 31, 1989.

As one member of the committee, I would simply say I would be satisfied to deal with those issues at that time, and I don't feel any compelling need to deal with these now.

Mr. Hopfner: — Which numbers were those again?

Mr. Chairman: — That's 2.90 through to 2.99.

Mr. Hopfner: — Why would you not want to deal with them now?

Mr. Chairman: — Because they are reported in the auditor's report next year and I . . . The questions remain, but I'm satisfied to deal with them under the next year under review.

Mr. Hopfner: — Oh, okay. All right.

Mr. Chairman: — I just might ask members: are there any further comments they want to make with respect to chapter 2? Last time we looked at a draft recommendation concerning this chapter. Is it agreed then that the . . .

Mr. Hopfner: — Is there a new copy of something that we were discussing?

Mr. Chairman: — No. Like, the only change was to delete one sentence. That was agreed to by the committee.

Mr. Britton: — Mr. Chairman.

Mr. Chairman: — Yes, Mr. Britton.

Mr. Britton: — I'm trying to get my head around this committee. I confess . . . (inaudible) . . . My question would relate to the report. We had some uneasiness on one or two of the members. Do we have the right to a minority report?

Mr. Chairman: — It's not normal practice when a committee makes its report to the House to include what might be called minority opinions; that is to say, the report to the House represents the consensus or majority opinion of the committee. That's what gets reported to the House. But anything that is reported to the House is done by way of motion. And any or all members of the committee have the right to enter into discussion on the motion to accept the report and to make any additional comments that they may feel are necessary.

Last year there was considerable controversy surrounding that. As Chairman, I felt that I couldn't agree with some of the aspects of the report and made my own comments with respect to the report. And that's certainly something that's open and available to all members.

Mr. Britton: — Okay. I don't want to take up all the time. So then if there is a member that's not in total agreement with a report that this committee makes, if it's not, as you say, customary to make a minority report, then is there a recorded vote so that person can register that he didn't? I'm thinking in terms of, you know, if some person says, look, I just can't accept this report as it is, and you do; you're changing around and he or she are still not happy with it.

What I'm trying to I guess find out, sir, is: how does that person register the fact that he didn't totally agree with that, other than yourself as the chairman?

A Member: — You speak on it in the House.

Mr. Chairman: — You speak on it in the House.

Mr. Britton: — There's no other way of letting other people know that you or I did not agree.

Mr. Chairman: — Oh, no, I think there's a number of ways. One is that in the committee the person could make their opposition known, and that would be recorded in the verbatim so that there's a clear record of that person's opposition.

Secondly, in the House, the rules of the House — theoretically, in any event — provide for the motion to adopt a report be debated in full and all members have the opportunity to debate thereon, even though House leaders might agree from time to time that it's not a priority, and it's certainly something that I think we should take up with the House leaders on both sides. But the opportunity is there for members in the House to publicly disagree with aspects of the report and to put forward their own viewpoint.

Mr. Britton: — That's good. Just so that he has that right to be heard, I guess is what I'm trying . . .

Mr. Chairman: — Yes, yes, that right's there. I might say though that it's generally in the best interests of the committee and of the House and all concerned that the report that does go to the House, as opposed to simply reflecting the majority opinion, reflects a consensus of opinion, because I think the report of the committee is strengthened. It's clear to the House then and to all concerned that the comments are the comments of all the members and reflect the concerns, the legitimate concerns, of all the members with respect to the accounting of funds, with respect to expenditures made on behalf of the taxpayers.

So it's always desirable to have a consensus of opinion put forward. But I recognize that that's not always the case either.

Can I get you back to the draft recommendation. It was

clarified that the first sentence on paragraph 2 was to be deleted. Is that agreed?

Mr. Rolfes: — Mr. Chairman, I just want to make a comment. Just so there's no misimpression given here, I spoke on that sentence. It was not my recommendation that that sentence be deleted. I did not recommend that. And I don't agree with the motion that it be deleted. So I just don't want to have the impression left that it was my suggestion it be deleted. I simply said the second half of that sentence did not accurately reflect what went on in this committee. And then someone moved a motion that the whole sentence should be deleted. I just want to make it clear that I do not support the motion nor the decision of the committee.

Mr. Chairman: — That's understood. Can I have a motion then that the draft recommendation be . . .

Mr. Hopfner: — Well can I bring to your attention, Mr. Chairman, before we deal with this . . . It may have slipped my mind as well that the draft of May 7, 1990, that we've drawn up for the various departments, Agricultural Development Corporation, Consumer Affairs — do you have that list? I don't think we duly dealt with that either, had we? Should we not do that before we pass the draft recommendation, the complete auditor's report for '87-88?

Mr. Chairman: — I suppose we can have one motion to adopt all these and then . . .

A Member: — Can we go through it step by step?

Mr. Chairman: — And then go through it either by agreement or by subsequent motion to deal with any particulars you feel need to be changed. I already have one amendment that's come to us from the auditor's word. Something is not quite clearly stated that . . .

Mr. Hopfner: — And I must confess to you, Mr. Chairman, I did not take the time but I do have some questions in regards to the recommendations in regards to a couple of departments, and if we could deal with them verbally, I think all I need is some interpretation basically and then we could go from there. It wouldn't take very long. I hope it wouldn't take very long.

Mr. Chairman: — First of all, I think to help the committee we should have one motion to adopt the whole works; and then if there's subsequent changes, we'll deal with them either by way of agreement or by way of amendment, if necessary. Is that . . . just in terms of the process of the committee.

Mr. Hopfner: — I was just wondering, why would we want to amend? Why don't we just go through it, make a word change if it needs it or something like that, and then adopt the whole thing, instead of amending . . .

Mr. Chairman: — My own preference would be is that we deal by way of motion, but if you want to quickly review this and make some comments, if there's agreement on that, then okay, let's do that.

Mr. Hopfner: — Yes, I think that would go quickly.

Mr. Chairman: — All right.

Mr. Hopfner: — I would drop to Consumer and Commercial Affairs and the recommendation . . . well it was identified basically, it was put forward that:

The auditor identified instances where maintenance charges were paid when the contract did not require it. The Committee was concerned that inadequate authority existed for the maintenance payments and discussed the issue of whether some formula comparisons would be available in assessing whether the maintenance agreement was a fair one.

The recommendation was that:

Your Committee recommends that more care be taken to ensure that adequate authority was in place for all payments as well as methods to enable managers to assess whether the maintenance amounts were appropriate.

What I was wondering is if the Clerk could give me some indication. You know, like I didn't read that in the verbatim type of thing as to those kinds . . . the way that that particular discussion was carried on. And I was wondering if the Clerk could . . . I could have misread the basis of the conversation with the officials and everything else like that. I thought that it was basically addressed during the comments and that there wasn't really any further need for recommendation because we had accepted the fact that it had already been clarified. Did I misunderstand that?

Ms. Ronyk: — Mr. Chairman, if I might point out to the committee that this was drafted by the committee Clerk last year when Consumer and Commercial Affairs was dealt with. And I don't think either of us have any knowledge about how it reflected the verbatim. But the draft generally looks at what the auditor dealt with and then whether the committee also raised that same issue in their remarks to the . . .

Mr. Hopfner: — So it wasn't . . . This has nothing to do then with the fact that we actually, as a committee, recommended that more care be taken. It was a fact that it was a concern brought forth to the auditor, we discussed it, and because we discussed it, that somebody just indicated that more care be taken again or . . .

Ms. Ronyk: — I think, Mr. Hopfner, for the most part you're right, that the committee as it goes along has not been actually expressing motions or anything at the end of its consideration of a department saying, you know, we think this or we recommend that.

Mr. Hopfner: — Oh, okay.

Ms. Ronyk: — And perhaps that would be a good idea, but the committees have great difficulty in doing that. So the Clerk has been kind of drafting something that approximates what the concerns were that the committee dealt with.

Mr. Hopfner: — Okay. That was one of the issues. And then the Principal Trust, First Investors saying it was . . . It is well that:

The Committee reviewed the role of the Department's Licensing branch in licensing and related inspecting and auditing functions in regards to Principal Trust and its subscribed subsidiaries First Investors and Associated Investors in the year under review.

The Committee learned that the practice of relying on the licensing of the originating jurisdiction has been formalized with a written agreement clearly specifying what is expected of the licensing jurisdiction. Your Committee is pleased to note that there is now an interprovincial agreement which should ensure strict controls and assist in improving the ability to rely on the original licensing jurisdiction.

All that in the summation under First Investors, you know. It was just . . . I didn't grasp that out of the verbatim. And that would follow suit in what you said then earlier.

Mr. Chairman: — I remember that.

Mr. Hopfner: — Because there's basically . . . there's just a comment that we were satisfied there. And if you back up into Consumer and Commercial Affairs, we have a recommendation. Here we don't have a recommendation, but it's been listed. It's different.

And then all the others, and I looked through, other than mail and . . . You look at a lot of the others that have . . . departments that have been forward here, there is recommendation and there isn't. And my question was if we're recommending and we're specifically making comments on all departments, why isn't it done in the realm of, I guess, just specific statements instead of statements and recommendations or something like that?

Ms. Ronyk: — Mr. Chairman, if I might comment that I guess this process right here today is where the committee will say, we've got this draft and yes, we're prepared to make this recommendation or no, we're not or we want some other variation of it. The draft is an attempt to pull out of the verbatim with the witness as a censor where the committee is going. And in some cases there were major issues that the committee reviewed and yet, what the committee learned satisfied the committee and so there was no recommendation, and yet we thought it was valuable to indicate in the report that the committee really explored this area because it was a major thing in the auditor's report.

Mr. Hopfner: — Oh, okay.

Ms. Ronyk: — And it's a positive thing to be able to say that this is now resolved, and the department gave us a satisfactory answer.

Mr. Hopfner: — Okay. That's basically what I was just wondering. I have not a big hang-up on it. I was just wondering why it hadn't been consistent.

Mr. Chairman: — I asked last year that, after every department has concluded that the Clerk provide us with a brief report on our discussions and any recommendations so that committee members would then have the opportunity to review that as soon as possible, and to get back to the chair and the vice-chair if there was any problems and we were corrected at that point.

Because to try and go back sort of a year later and say, well is that what we really talked about gets to be a bit of a problem. But I'm satisfied, like from what I remember of the drafts that were provided to me that there is an accurate reflection of some of the work the committee did. And I just might say that, even if the committee feels bogged down with the procedure the odd time, that you did very substantive work in the past year.

Mr. Hopfner: — Did you want to go through this modification?

Mr. Chairman: — Yes, we have modification on the Department of Finance, a reservation of opinion, in paragraph 4. That modification comes to us from the auditor who feels that the modification would more accurately reflect what the reservation was based on. Is there any problems with including that modification in the report, or to change the report to include that?

Mr. Hopfner: — Maybe I could ask the comptroller if he could give me some sort of a quick layman term explanation of what is meant by that.

Mr. Kraus: — Well I guess if I look at the original draft, the auditor's reservation was based on the principle that you cannot have an asset in the form of a loan. Now that I look at it more carefully, of course, that isn't a correct statement because of course assets are often loans.

And I guess what the auditor is trying to point out . . . and maybe he could explain his position rather than myself. I'll just let him say . . . but I do think it's fair to say that the statement as it's written now is not correct.

Mr. Hopfner: — Yes, I had a hard time digesting that myself because in private practice that's not the way it is.

Mr. Chairman: — Mr. Heffernan, do you want to comment?

Mr. Heffernan: — Mr. Chairman, as Mr. Kraus states, the way the document reads now is simply not factual. You can have an asset in the form of a loan. And what the amendment is doing is basically using the wording in the reservation on page 52 of the 1988 annual report of the Provincial Auditor which reads:

It is inappropriate to record these disbursements as assets of the Consolidated Fund since their repayment depends upon future appropriations from the Consolidated Fund. Accordingly, these disbursements should have been recorded as expenditures.

And that's what we're trying to say here in the amendment, that:

The Auditor's reservation was based on the principle that the Consolidated Fund cannot have an asset (loan receivable) if the only source of repayment of the loan is future appropriations from the Consolidated Fund.

Mr. Hopfner: — What I was . . . I don't know how to really react to this, Mr. Chairman, because basically this is to me would be a professional-type argument. Like, one professional would argue one way as to the other.

And would this type of a remark not be more . . . or this type of a modification, should that not be corrected through the professionals and then reported back to a committee like this? I mean there are professions . . . I mean there are definitely a difference of opinion in such a statement, and therefore shouldn't there be some clarification in some sort of clarification that would come back to this committee as to whether we should accept this recommendation or not?

Mr. Hunt: — Mr. Chairman, Mr. Hopfner, if I may. I was wondering and I believe the committee in its draft report here is purporting to represent what the basis was for the auditor's reservation. And we're simply saying that the basis described in your draft report does not properly represent what we indicated in our reservation. And we're saying that this wording is more reflective of what we said in our reservation. And as well I don't believe there's any disagreement from the comptroller, as he has stated.

Mr. Hopfner: — Oh, okay. All right.

Mr. Kraus: — Well maybe I'd better say something then as well. It does go on to say though that the department indicated that it was a reasonable way of recording the financial transaction, or this financial transaction. And I guess what it's saying now, as it did before except that that one sentence wasn't correct, is that there's a difference of opinion between the way the auditor thinks this expenditure should be accounted for, as opposed to the way the government's financial statements are accounting for it.

It's an ongoing disagreement that's existed I guess since the creation of the Saskatchewan Property Management Corporation. I think you could argue in a sense that's what this new paragraph is saying, isn't it? That they have one way . . . they see it one way and the Department of Finance sees it another.

Mr. Hunt: — Yes, but the sentence that is being changed in the draft is simply a representation of the principle upon which the reservation is based. And I don't think you have any disagreement with . . .

Mr. Kraus: — The way you're stating it.

Mr. Hunt: — Yes.

Mr. Kraus: — No.

Mr. Chairman: — What we have is a considerable reservation of opinion, or not a considerable, but a

reservation of opinion by the auditor with respect to the '88 Consolidated Fund. And he reports that in his auditor's report, in this case under the Department of Finance. And it's there.

The only thing that . . . the additional thing that we're doing, in addition to saying that the auditor has his reservations and making it clear what the reservation was, we're also indicating to the Legislative Assembly what the department has had to say to us about that. So that the Legislative Assembly not only has the reservation of opinion, but we're reporting to them what it is the department has to say about that. And there is a difference.

And obviously we can't report to them that we've found some way to resolve that, but making it clear to the Legislative Assembly that the department . . . making it clear to them the department's point of view on this one.

Mr. Hopfner: — Right. And as long as it's clear though, that this committee hasn't satisfied anybody one way or another, because like I had really strong arguments in regards to that.

Mr. Chairman: — No, we haven't done that. It's simply letting the Legislative Assembly know what the department's opinion is on this.

Mr. Hopfner: — Okay.

Mr. Chairman: — So is it agreed that we can adopt this clarification or modification of the report? Is that agreed?

Mr. Rolfes: — I don't care what you do with this report; the guts were taken out before.

Mr. Chairman: — But you have no problem on the . . .

Mr. Rolfes: — I don't care what you do with it.

Mr. Chairman: — Can I then have a motion to adopt . . .

Mr. Swan: — Aren't we going to wait until we have all of the report?

Mr. Chairman: — Oh, have you got more? Sorry.

Mr. Swan: — Did you want to write and . . . (inaudible) . . . that's the whole report. That's all we're going to have, yes.

Mr. Rolfes: — Did you want to add anything more? Everything else was denied before you got out of the committee.

Mr. Hopfner: — No, no, no. Did you want to add anything more?

Mr. Swan: — No, I just thought from the other day that you had a lot of other things you wanted to get into this report. That's why I'm asking. I came in late in this committee and I'm not aware of . . .

Mr. Chairman: — No, there's a number of items from chapter 2 that I'll be satisfied to deal with next year. And I feel no need to deal with those at this point.

If we can have a motion then to adopt the . . .

Mr. Rolfes: — Mr. Chairman, before you make the motion, I want to clearly indicate to the committee that in my opinion, this report that we are about to adopt . . . Or maybe I should let you have the motion and then I could speak on the motion. Maybe that's a better way to go about it.

Mr. Chairman: — Does someone want to make the motion then that we adopt . . .

Mr. Hopfner: — Doesn't the Chairman make the motion?

Mr. Chairman: — No, the Chairman doesn't make the motion.

Mr. Muller moves that the draft recommendation dated May 8, and that the further comments with respect to the departments, the draft, be put forward to the Legislative Assembly as the committee's report.

Is there any discussion on the motion?

Mr. Rolfes: — Mr. Chairman, I do want to make a few remarks on the motion. It is not my intention to support this report. I do not think it reflects at all what went on in this committee.

I have no disagreements with the recommendations as they pertain to the various departments, but I do have serious reservations on page 1. I think it does not reflect what went on in this committee and the difficulties that the committee had. We made absolutely no recommendations to the Assembly in regards to how to improve the working relationship of this committee. And I will speak to that in the House and will clearly indicate my reservations and what has happened in this committee.

And I really am concerned that this committee can't function, won't function in the future, because we set today, I think, a very dangerous precedent. And I think that . . . and I don't think it will be very long when you members will probably be sitting on this side, and even if you aren't, that I think that's something that you should seriously look at. And somebody will use that precedent some day again and limit the function of this committee.

This committee should be a committee of the Assembly and we should be looking very seriously at all aspects of the Provincial Auditor's report and express those positive things and negative things to the Assembly, which we are not doing in this report at all. And therefore I for one cannot accept it and support it, and I'm sorry to say that.

I think I have as much as any other member, participated in this committee and I think spent many, many hours in reviewing the departments and preparing for this committee, and I'm disappointed in what has happened; I'm very disappointed in the report. And I think it's my obligation to say that in the House. I had hoped that I could support the report but I can't do it, and I'm disappointed in that.

But I am very disappointed that, particularly disappointed, I think, in the senior members of what happened today. Because I think on reflection, if they look back on what we did today, I think they'll know what we've done to this committee. I think we have hamstrung this committee in the future, because somebody will use that precedent. And whether it's people on our side when we're sitting over there or whether you use it next year when other members are on the committee, that precedent is there, and I'm disappointed in that. So I can't support it and I will make some of those reservations known in the House.

Mr. Hopfner: — I'm sorry that the member feels that way, Mr. Chairman. I thought Mr. Rolfes had handled a lot of the questions with the various departments quite admirably and got the answers he was asking for. As I will be looking forward to hearing what he may have to say in the Assembly, I therefore would like to give him this — that I'll be listening with interest and I too may be having to be forced then as well to make some remarks to what he is indicating and what he will be stating in the Assembly, because I think that we've given everyone a great opportunity to ask all the questions for the year under review in this Assembly.

We've gone out of the way. We've allowed members of the opposition to set the agenda of this committee and we will be doing that in the future. And we've adopted that particular scenario here in this committee so that we could expedite the committee. Well yes, I guess I'll hurry with my comment, Mr. Chairman, that with that, I'll be supporting the recommendation, the draft, and hope that the member can see fit in his remarks in the Assembly to keep it on a very professional basis.

Mr. Chairman: — Any further discussion?

Mr. Rolfes: — Mr. Chairman, I do want to make one further comment and that is, I want to direct the attention to member from Cut Knife-Lloydminster that another precedent was set and some of the members were not here. For the first time that I can remember, this committee refused to study the first 22 pages of the Provincial Auditor's report. When Mr. Hopfner says that the opposition set the agenda, that is not correct. We had an opportunity to call the departments but we had not an opportunity to discuss the first 22 pages which were really the crux of the Provincial Auditor's report. We had no opportunity to discuss them until just now when it was very untimely, and so I disagree, and I will make that also known in the Assembly.

Mr. Chairman: — Is the committee ready for the question? Is it the pleasure of the committee to adopt the motion?

Agreed

Mr. Chairman: — Can I then have a motion that I report to the House and also your thoughts as to when this should be reported to the House.

Mr. Hopfner: — At your first opportunity.

Mr. Chairman: — Which would then be today.

Mr. Hopfner: — Do you have a report ready today?

Mr. Chairman: — Yes, it'll be ready today.

Mr. Rolfes: — Mr. Chairman, that is very inopportune for me but if . . .

Mr. Chairman: — Is it? Do you prefer to do it tomorrow?

Mr. Rolfes: — Well, no, I can't be here tomorrow. I won't be here, I'll be leaving earlier today but if that is the wish of the committee . . .

Mr. Chairman: — It would be done immediately following question period.

Mr. Rolfes: — Well, all right, I might be able to stay for that.

Mr. Chairman: — Is that agreed then? Can someone make a motion that . . .

Mr. Rolfes: — But the thing is, no, there will be a number of people speaking if I don't. I have to be out of here by 3 o'clock and if I — or 3 or 3:30 — and if I don't get an opportunity to speak, it's not that I don't want to speak to this report but I've made previous arrangements. I cannot be here but the problem is that I won't be able to speak to it then because I will not be here next week either.

Mr. Hopfner: — Well, if no one speaks to it then I won't speak either.

Mr. Rolfes: — No, but I do want to voice my objection to what has happened but if you're going to report it, I can't do it and that's fine, go ahead. All I'm saying is that I will not be there and I don't want it to be misinterpreted that I agree with the report because I don't. But there will be others I'm sure that will be speaking on it.

Mr. Chairman: — Can I have a motion then that I report this matter to the House forthwith? So moved by Mr. Hopfner that I report this matter to the House forthwith. Are you ready for the question? Is it the pleasure of the committee to adopt the motion?

Agreed

Mr. Chairman: — In terms of the other items on the agenda before us, I'm still not quite clear on the agenda. I think the next meeting we should just simply plan our work for the next auditor's report. And also remind you that if you have any comments with respect to the guide-lines for public accounts committees in Canada, I would certainly be more than pleased to hear any comments that you might have because that's something that will be discussed by the Canadian council on public accounts

Mr. Rolfes: — Mr. Chairman, I will not be here for the next meeting but I wish the committee would consider whether or not that precedent will be set for the next discussion of the Provincial Auditor's report — that we go directly to departments or whether we have the opportunity to discuss the comments made by the

Provincial Auditor. I think that is something that the committee should discuss.

And if the committee sets the precedent that from now on we go directly to the departments and are not allowed to discuss the comments made of the Provincial Auditor, all right fine, the committee sets that. But I think that should be established at the next meeting but I will not be here.

Mr. Chairman: — That's why I expect planning the agenda will be a matter of some considerable discussion at the next meeting. That's it for today. Thank you very much.

The committee adjourned at 10:35 a.m.